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WORLD COTTON PROSPECTS

Summary

During the five weeks ended the last few days in December, cotton price fluctuations were rather small compared with the fluctuations of some of the previous months, according to the Bureau of Agricultural Economics. During this period the average price of Middling 7/8 inch staple in the 10 spot markets ranged between 5.6 and 6.0 cents. At Liverpool and other important foreign markets the prices of American cotton continued to become cheaper relative to most of the important foreign growths. During the first three weeks of December the average price of American Middling and Low Middling at Liverpool was cheaper relative to three important types of Indian cotton than at any time in the 1926-27 season, the year in which foreign mills made marked shifts to American cotton.

Although the exports of American cotton to the Orient during the first four months this season were probably the largest on record for this period, the total movement to all foreign countries was the smallest since the 1923-24 season, a season in which the domestic crop plus the carry-over in the United States was about 47 per cent smaller than this season. Exports of cotton from India for the season to December 17 were 44.5 per cent below last season, while during this period exports from Egypt showed an increase over the 1930-31 season of about 20 per cent.

During November domestic mills consumed 7.2 per cent less cotton than during October, but about 3 per cent more than in November 1930, and for the first four months of the season mill consumption was almost 11 per cent above the 1930-31 season. Domestic sales of cotton cloth during

November 1931, while less than in October, were above November 1930 and were the highest for the month of November since 1928. Stocks of cloth at the end of November 1931 were about 23 per cent below, and unfilled orders were 6 per cent above a year earlier. In Great Britain the marked improvement which followed the discarding of the gold standard did not continue throughout November and early December, and, since Japan has recently gone off the gold standard, Great Britain is expected to meet increased competition from the Japanese goods in many foreign markets although the Chinese boycott of Japanese goods continues to make China a more favorable market for Great Britain.

The textile situation on the Continent of Europe during November failed to maintain the improvement which accompanied the October advance in cotton prices and on December 1 conditions were reported as being about the same as prior to October. In France the accumulation of textile stocks has ceased and in Italy stocks continue to decrease while unfilled orders have shown a gradual increase for some time. On the whole the textile situation in Italy is better than in any of the other Continental European countries. Japan is feeling the effects of the Chinese boycott as are the Japanese mills in China, but this has resulted in increased activity in the Chinese mills.

From information now available it looks as if the production of cotton in the principal foreign producing countries in 1931-32 will be about 1 million bales less than in 1930-31. India, China, and Egypt may produce about 1,600,000 bales less than in 1930-31, but an increase of almost 600,000 bales seems likely in Russia, Brazil, and Mexico combined. The decrease in foreign production is more than offset by an increase of almost 3 million bales in the domestic production.

Prices

Spots

From the middle of November to the fourth week in December cotton prices in the domestic markets fluctuated within a rather narrow range. During this period the average price of Middling 7/8 inch staple in the 10 markets has ranged between 5.6 and 6.0 cents per pound. On December 22 the average in these markets was 5.83 cents, which compares with 5.65 cents on November 23 and 8.91 cents on December 22, 1930. The November 15 average United States farm price of cotton was 6.1 cents per pound which was very close to the average price in the 10 spot markets during the three or four days around the middle of the month when the farm price schedules are made out. The relatively high level of the farm price compared with prices in the central markets is no doubt due to the high quality of the crop this season, the farm prices being the average for all qualities of cotton, whereas the central markets prices are based on a constant quality (Middling 7/8 inch staple).

The increase in the relative supply of American cotton this season as compared with the supply of foreign cotton, particularly Indian has resulted in the prices of American cotton becoming cheaper and cheaper relative to most foreign growths. In China, American cotton has recently been quoted at lower prices than the Chinese cotton. At Liverpool, the prices of American compared with Indian continues to become cheaper. During the first three weeks in December the prices of three important types of Indian cotton averaged 91.2 per cent of the average of American Middling and Low Middling compared with 90.3 per cent in November, 86.4 per cent in October, 72.3 per cent in December 1930 and 90.5 per cent in December 1926, the year in which foreign spinners made a decided shift to American cotton.

Stocks and Movement

Exports of American cotton

Due largely to the continued increase in exports of domestic cotton to the Orient, the total exports during November were about 18 per cent above November, 1930, but the total for the season to the end of November was still about 10 per cent below the first four months of last season, according to reports of the Bureau of the Census. The export movement so far this season has been the smallest since the 1923-24 season when the crop plus the carry-over in the United States was about 47 per cent smaller than this season. November exports totaled 1,071,000 running bales compared with 908,000 bales in November last year giving a total for the four months this season of 2,834,000 bales against 3,181,000 bales last season. There were 246,000 bales exported to Japan during November this year which was 144,000 bales or 140 per cent above the same month last year. Total exports to Japan from August 1 to November 30 this season amounted to 678,000 bales compared with 365,000 bales during the corresponding period last season, or an increase of 86 per cent. The exports to Japan the first four months this season were probably the largest on record for these months. Exports to Great Britain in November were about 5 per cent above November, 1930, but for the season to the end of November were about 28 per cent below the August to November period last season.

Imports of foreign cotton into the United States

Imports of November continued to run ahead of the corresponding period last season, the total for the month being 5,986 bales compared with 3,410 bales in November 1930, according to reports of the Bureau of the Census. During the four months August through November 21,284 bales were imported, an increase of 6,832 bales or 47 per cent over the first four months of the 1930-31 season. Imports from Egypt and Mexico showed the greatest pick-up while imports from China and India were below last season.

Stocks at domestic consuming establishments

Although stocks of raw cotton at domestic consuming establishments showed a seasonal increase from the end of October to the end of November, they were 123,000 running bales or 7.9 per cent below a year earlier and were the lowest for the end of November since 1924. The total stocks of all kinds of cotton at the end of November amounted to 1,441,000 running bales compared with 1,116,000 bales at the end of October and 1,564,000 bales on November 30, 1930.

Mill stocks of Egyptian cotton again decreased during November which is the 17th consecutive month in which there has been a decrease, the decrease beginning in July 1930 the first month after the tariff on cotton 1-1/8 inch and longer in staple went into effect. This puts the stocks of Egyptian lower than at any time since the end of December, 1925.

Stocks in public storage and at compresses in United States

Stocks of all cotton on November 30 this year in public storage and at compresses in the United States were more than 1 million bales larger than the end of October and more than 2 million bales larger than a year earlier. Stocks of Egyptian cotton in public storage have shown almost a steady decline since the tariff went into effect in June 1930, and at the end of November this year amounted to only 15,000 bales. This was a decrease of 18,000 bales or 54.5 per cent from the November 30, 1930 stocks.

World visible supply of foreign cotton

While the visible supply of American cotton is much larger than last year the total visible supply of foreign cotton on December 18 was 143,000 running bales or 7.2 per cent less than during the corresponding period a year earlier and 9.2 per cent smaller than in the same period in 1929, according to reports of the Commercial and Financial Chronicle. During the four weeks ended December 18, 1931 there was a decrease of 15,000 bales, whereas, during the corresponding four weeks of 1930 there was an increase of 174,000 bales in visible supply of foreign cotton. In 1929 there was an even larger increase during the corresponding period.

Stocks of foreign cotton in Liverpool and Alexandria on December 18 were above those on December 18, 1930. Stocks in Bombay, on the Continent and those afloat were less than at the same date in 1930.

Exports of cotton from India

For the four weeks ended December 17,1931 total exports from India amounted to 94,000 running bales compared with 191,000 bales during the corresponding period in 1930 and 185,000 bales in 1929, according to the Commercial and Financial Chronicle. For the season August 1 to December 17 total exports were 627,000 bales, 502,000 bales or 44.5 per cent below the corresponding period in the 1930-31 season and 27.4 per cent below 1929-30. The Continent, Great Britain, Japan, and China all have taken less Indian cotton this season than last.

Exports from Egypt

From August 1 to December 16 exports from Alexandria totaled 395,000 running bales compared with 328,000 bales during the similar period in 1930 or an increase of 20.4 per cent, according to statistics given in the Commercial and Financial Chronicle. All important users of Egyptian cotton have taken more of the Egyptian cotton so far this season than during the similar period last season. For the four weeks ended December 16 total exports from Egypt amounted to 120,000 bales compared with 109,000 bales during this four weeks period in 1930.

Textile Situation

United States

While the consumption of all kinds of cotton in the United States during November, which amounted to 429,000 running bales, was 33,000 bales or 7.2 per cent below October, it was about 14,000 bales or 3 per cent above November a year ago, according to reports of the Bureau of the Census. The decrease from October to November this year was slightly more than during the past five years, the average decrease in this period being only 3.6 per cent (21,000 bales). The total consumption of raw cotton during the first four months this season amounted to 1,780,000 bales compared with 1,605,000 bales during the same period last season, or an increase of 10.9 per cent, but was 22.2 per cent below the 1929-30 season.

During November the average weekly sales of cotton cloth as reported by the Association of Cotton Textile Merchants of New York showed a marked decrease from the unusually high levels of October, but were 2.3 per cent above November 1930, and were the highest for the month of November since 1928. Sales averaged 56.1 million yards per week in November and were equal to 96.9 per cent of the production rate. The weekly rate of cloth production in November was slightly above October and was 12.0 per cent above November 1930, but was less than production in November 1929. Shipments during November equaled 92.4 per cent of production. The net change in the statistical position of this phase of the domestic cloth industry during November was a 6.9 per cent increase in stocks and a 3.0 per cent increase in unfilled orders. As compared with the same time last year stocks of cloth at the end of November this year were 23.4 per cent below and unfilled orders were 6.5 per cent above.

Great Britain

The increased exports of cotton piece goods from Great Britain which took place following the abandonment of the gold standard were reflected in the October report which showed a total of 143.1 million yards, 14.6 million yards or 11.4 per cent above September. The increased export movement did not continue through November, however, although during the past ten years exports in November have averaged slightly above October. This year November exports were 17.1 million yards or 12 per cent below October.

Sales of piece goods and yarns during November and the first half of December did not maintain the high levels reached soon after the discarding of the gold standard and that extended throughout most of October. There was a considerable amount of cloth inquiry from India about the middle of December, but sales were limited. Buying for China at that time was fairly large and the demand for home trade was reported as encouraging. Since Japan has gone off the gold standard she is now in a better position to compete with British manufacturers in foreign markets. The Chinese boycott of Japanese goods, however, continues to make the Chinese market more favorable to Great Britain.

Continental Europe during November a/

November developments have borne out earlier indications that a real recovery has not yet become evident in the continental cotton mill situation, despite some pick-up in October. The downturn in raw cotton prices during November and other unfavorable developments stopped most of the increase in buying interest by manufacturers and distributors, and by December 1, conditions were about the same as they were prior to October.

Nevertheless, it is obvious from the developments accompanying the movement in the cotton market in the past two months that conditions are now extremely sensitive to price movements and to general economic developments. Once a basis for recovery is definitely created, it appears certain that the Continental European demand for cotton will contribute strongly toward the general upward movement in cotton consumption.

Although continental spinner and merchant commitments were of fair volume for raw cotton in prompt and near positions in early November, buying for the month as a whole was relatively limited. Buying dropped off distinctly in the second half of the month under the influence of the declining raw market and the general pessimism about approaching reparation and debt negotiations which developed following the speech of Premier Laval. While buying of actual cotton by spinners and merchants was, therefore, rather small in November, spinners took advantage of low points in futures quotations and price fixing was relatively important on all set-backs.

a/ Based largely on report dated December 5, 1931 from Agricultural Attache L. V. Steere at Berlin supplemented by cable on December 15.

New orders booked by continental cotton spinners and weavers during November were of generally smaller volume than in October, especially during the second part of the month. The optimism exhibited while cotton prices were rising gave way to hesitation, and a rather general tendency toward short-term commitments on a hand to mouth basis is again evident. Cotton mill activity over the continent as a whole does not appear to have changed materially from the previous month, though it is probable that the level of operations for October-November has been somewhat above September over the Continent as a whole. The cotton textile stocks situation continues relatively favorable. Central Europe has very low stocks at practically all points in distributing channels, and stocks in Italy continue the decline evident for several months. The accumulation of stocks in France appears to have ceased, though the volume of both yarn and goods on hand still appears important. Latest reports on production and sales in France, however, suggest a more balanced tendency.

November developments further strengthened the impression that conditions in the Italian cotton textile industry are more favorable than is the case in other important cotton textile producing countries on the Continent. This is indicated not only by the development of orders, stocks and activity, but also by figures on imports of raw cotton, of which Italy has been the only country on the Continent to have taken more cotton so far this year than was taken last year.

Germany

German spinner and weaver reports for the month of October indicated a marked revival of new orders, but November reports indicate that this revival has not continued and that slowness was again the dominant note in German yarn and cloth business during November. The October upturn was partially seasonal, but undoubtedly due largely to rising cotton prices and to the more optimistic feeling accompanying the rise. Following the substantial downturn which developed again in November and a rebirth of pessimism in the trade and among speculators, German buying interest in textiles has again weakened.

During the first half of November both spinning and weaving mills were still doing a better volume of business than in August and September, but quietness has been much in evidence again during the second half of the month, although some interest has been exhibited for winter goods, stocks of which are reported very low. Textile export business is reported to have been materially checked by active British competition since the fall of the pound, as an indirect result of which sales conditions in the Scandinavian countries have also become more difficult, their currencies having followed the pound. At the same time, fine cotton yarn and fine cotton fabrics are also reported to be encountering keen British competition within the German customs boundaries, a development likewise due to the depreciation in the pound. German cotton manufacturers, particularly makers of specialties, also report the serious hampering of business with England as a result of the new import tariffs recently introduced.

German cotton mill activity is reported to have shown very little change in November as compared with the previous month, but it appears that the level of operations in October-November for both spinning and weaving establishments has averaged above that maintained in September.

Spinner buying of raw cotton in Bremen has been relatively quiet through November with somewhat more active interest for near and prompt positions evident during the first part of the month. Price fixing, however, has assumed fair proportions on every setback, as spinners seem to be inclined to take advantage of the new decline in prices. Low grade cotton and short staples have been in relatively good demand during the month, but merchant c. i. f. buying of raw cotton has been limited.

German cotton industry is confronted with several difficult problems. Various labor difficulties have developed with partial strikes occurring in different textile centers. Several wage agreements have been terminated and negotiations are now being carried on in regard to possible wage reductions. The general effort to reduce wages in all industries evident in Central Europe and elsewhere on the Continent is, of course, important from the standpoint of the cotton industry since the consumption of cotton goods is materially influenced by increases or decreases in purchasing power.

Czechoslovakia

Information on November developments in the cotton textile situation in Czechoslovakia is very limited, but such statements as have appeared indicate that conditions have become somewhat worse in Bohemia. The upturn in mill sales and activity during October was apparently not maintained during November. Exports, moreover, are stated to have been considerably hampered by the foreign exchange restrictions existing in Austria and Hungary, and by the growing difficulty of competing on practically all markets as a result of British and Scandinavian currency depreciation.

Net imports of raw cotton into Czechoslovakia are indicated by recent trade statistics to have been much smaller so far this season than in any recent year.

Austria

Austrian cotton textile conditions continue extremely unsatisfactory and uncertain. The procurement of raw cotton still seems rather difficult because of the severe currency restrictions. On the other hand, sales of cotton goods, like sales of other commodities, continue to be stimulated by the fear that another considerable depreciation of the Austrian currency might develop and cause the now rather low prices to rise.

France

November reports from the French cotton textile centers indicate that business in both yarns and goods has remained restricted, but at the same time, that no further accumulation of stocks has occurred. British competition in fine counts of yarn and fine weavings is strongly complained of both in the French and in the foreign markets. It appears that new sales of spinners

and weavers declined somewhat during the second part of the month, so that end of November reports appeared somewhat more pessimistic than was justified by conditions during the first part of the month.

Spinner buying of raw cotton in November was limited, with interest centering around near positions only. French imports show a heavy reduction in new season imports of raw cotton as compared with previous years, as is the case in all important European countries except Italy.

Italy

No significant changes were reported from the Italian cotton industry for the month of November; developments more or less confirmed previous indications. The textile situation still looks more hopeful than in any of the other European countries. New statistics for the month of October show a gradual increase in mill activity for both spinners and weavers, a gradual increase of unfilled orders on hand in spinning mills, and a gradual decrease of yarn stocks with cotton spinners. New sales were again somewhat larger than current production, and although the tendencies in this direction have not been pronounced recently, the balance was one that would result in a further reduction of the already moderate stocks.

Trade comments on spinner buying of raw cotton during November indicate a fair demand for c. i. f. and spot cotton during the first part of the month, but somewhat slower spinners interest during the second half. It is further reported that sales of yarns and goods have made further slight improvement though at unsatisfactory margins. The new drawback system for yarn and goods makes export business easier, but of course world competition is more keen than formerly.

Italian net imports of raw cotton during the early part of the current season have been higher than last year, though below the previous three years.

Belgium

According to a report of the American Consulate at Ghent for the month of October and the first half of November, cotton trade conditions in the Ghent district in general were not good, but there seemed to be a feeling that the situation would improve. Buying of American cotton is said to have continued on a fairly large scale, taking the place of Indian or exotic cottons. Spinners are complaining of small margins, especially those working for export. With the exception of some exporters, weaving mills appear to be faring better than spinners. Those supplying the local demand are reported as doing well, and it is said that retailers, owing to depleted stocks, are being forced to place orders.

Poland

New reports from Poland indicate very unsatisfactory conditions in the cotton textile branch, and suggest the possibility of the dissolution of the the spinner cartel. It is said that the Government, however, intends to support the cartel by imposing a tariff on the raw cotton purchased by those outside the cartel. At the end of November the union of all Lodz industries

resolved to shut down all Lodz factories for a month from December 15 to January 15 because of the crisis on all markets.

A report of November 26 indicates that the export premiums on cotton goods have been abolished. Various wage disputes and partial strikes were reported from different districts.

The Polish Government has inaugurated a policy of strong subsidization of the port of Gdynia, which is now endeavoring to develop a regular cotton importing section with consignment stocks to be carried in sufficient volume to cover the needs of the Polish cotton industry. Up until now, Polish spinners have used the facilities of the port of Bremen in case of need for prompt cotton, but from now on it is planned to transfer much of the business to the new Polish cotton port of Gdynia. It is doubtful, however, whether credit facilities and trade experience will allow any great success, especially in the beginning.

The index of spinning activity in Poland during the first week in July was 104, first week in September 91, November 87, and in the third week in November it was 79, thus showing a steady decline during the past few months.

Russia

Production of the Russian cotton textile industry during October was slightly below the previous month, amounting to 198.2 million yards compared with 217.6 million in September and 219.4 millions during October 1930. The monthly plan was executed to only 82.8 per cent in the case of finished fabrics and to 88.5 per cent in the case of yarn. Labor and transportation difficulties of all kinds are reported to have been the chief causes of the non-execution of the program.

Figures on the production of the cotton textile industry during the first ten days of November show further lagging behind as compared with the plans, the execution for the ten days having been 22 per cent below the plan in the case of finished fabrics and 15 per cent in the case of yarn. For the month as a whole the production of the finished fabric amounted to 171.7 million yards or 70 per cent of the plan.

Japan

A late report from Consul Donovan at Kobe states that the price of American cotton in Japan continues to become cheaper relative to its important competitor, Indian cotton. At Kobe on December 22, 1931 Indian Comra, Fine, was selling at the same price as American Strict Middling 7/8 inch staple, American cotton prices having risen 2 per cent from November 21 to December 22 while prices of Indian had increased by 20 per cent. During this period yarn spots increased 27 per cent and yarn futures 30 per cent which should make spinning operations more profitable. The price increases of both raw cotton and cotton yarn are said to have been due largely to the suspension of the gold standard by Japan. The exchange value of the yen declined about 17 per cent from November 21 to December 22.

During November there were 143,000 bales of American cotton imported into Japan or only 4.7 per cent less than in November 1930 while imports of Indian cotton during November totaled only 22,000 bales compared with 196,000 bales in November 1930 or a decrease of 88.8 per cent. While total shipments of American cotton to Japan from August 1 to December 21 this season amounted to 867,000 bales or an increase of 94.8 per cent over the corresponding period in 1930, shipments of Indian cotton to Japan from September 1 to December 21, 1931 amounted to only 146,000 bales compared with 337,000 bales in the same period in the 1930-31 season, a decrease of 56.7 per cent. It is estimated by Japanese importers that American cotton afloat and destined for Japan now amounts to well over 400,000 bales and that total imports of American cotton for the 1931-32 season will be at least 50 per cent larger than last season which would mean about 1,650,000 bales. The continued favorable price parity of American with Indian and the recognition during the fall months of the possibility of a gold embargo were factors stimulating the heavy purchases of raw cotton.

Visible stocks of raw cotton in Japan at the end of November 1931 amounted to 165,000 bales compared with 126,000 bales one year earlier.

Weavers' demands for yarn was reported as poor during the latter part of December and most of the activity for both yarn and piece goods was due to speculative purchases. Yarn production during November 1931 amounted to 90.7 million pounds compared with 89.6 million pounds in October and was 8.3 million pounds or 10.1 per cent above November 1930. This increase took place in spite of an agreement made in October to curtail spinning production by an additional 5.8 per cent for the months of November and December. Production in November was the largest for any month since May 1930. The increased production in November was reported as being largely to meet the requirements of those making delivery on speculative purchases. Although yarn stocks increased somewhat during the month of November the increase was less than the increase in production. Exports of yarn decreased during November but were still larger than in 1930.

Piece goods exports during November continued the decline begun in September. Exports in November amounted to 95.3 million square yards, 17.3 million square yards or 15.4 per cent below October and 50.7 million square yards (34.7 per cent) below November 1930. These declines in exports reflect the increased competition of British goods and the Chinese boycott of Japanese goods. Piece goods exports up to the latter part of December had failed to show any noticeable benefit by the drop in the value of the Japanese currency.

China

Chinese cotton mills in China were operating at a good rate and consumption of American cotton is large due to the unusually high proportion of American being used, according to a cable from Agricultural Commissioner Dawson at Shanghai on December 14. The Japanese mills in China, however, were reported as having curtailed production about one-third due to the Chinese boycott of their products. These mills are not expected to close down although yarn stocks are quite heavy. They are moving part of their production to Manchuria, Shantung, and the South Sea Islands.

During November important business was reported as having taken place in English piece goods, but about the middle of December the market was dull and there was little inquiry for new business.

Production, Acreage and Crop Conditions

On the basis of information now on hand it looks as if production in the principal foreign producing countries for the 1931-32 season will be about 1 million bales less than in 1930-31. In the United States, however, the production is almost 3 million bales above 1930.

United States

The December estimate of the domestic production placed the 1931 crop at 16,918,000 bales of 478 lbs. net, or 500 lbs. gross. This is practically no change from the November forecast of 16,903,000 bales. As has been previously pointed out the estimated crop this year is the second largest ever produced in the United States. The record crop of 1926 was 1,059,000 bales, or 6.3 per cent, larger than the present crop. The new crop, however, is 21.5 per cent (2,986,000 bales) larger than the 1930 crop and is 1,650,000 bales, or 11.5 per cent, above the 5 year (1925-29) average.

The estimated acreage harvested (picked) was placed at 40,495,000 acres, which was 10.1 per cent less than in 1930, but the indicated yield of 200.1 pounds per acre is 52.4 lbs. per acre or 35.5 per cent greater than in 1930 and is the largest since 1914 when the yield was 209.2 lbs. per acre. The average yield for the ten years 1920-1929 was 154.4 lbs. per acre. The acreage abandoned this year was estimated at only 1.5 per cent whereas during the 1920-29 period 3.4 per cent of the area in cultivation on July 1 was not picked. This, year, however, conditions during the growing season were good, few fields were abandoned due to insufficient or excessive moisture and because of the scarcity of cash, the abundance of labor and the unusually favorable weather during the harvesting period, very little cotton was left in the fields.

On August 1, the very high condition of 74.9 per cent of normal was reported, weevil infestation was considerably below normal and the crop was forecast at 15,584,000 bales which was fully a million bales more than most private crop reporters were estimating at that time. During August conditions were generally favorable except in the Delta sections of Arkansas and Mississippi, abandonment was reported less than average and the forecast as of September 1 was 15,685,000 bales. September proved exceptionally favorable particularly in Arkansas and Mississippi. Hot, dry weather held weevil

damage in check and hastened maturity of the crop, consequently the forecast of October 1 was 16,234,000 bales. In October weather was also much more favorable than usual, high temperatures favored the opening of the balls, there were few injurious rains, and picking progressed with little interruption with field loss held to a minimum. The November 1 forecast was 16,903,000 bales. The month of November was about average in its effect upon cotton picking and, therefore, the December 1 forecast was not much different than the November forecast.

India

Although the amount of cotton planted in India up to December 1 was estimated by the Indian Government at only 2.9 per cent below plantings to the same date in 1930 the production on this acreage for 1931-32 is now forecast at 18.2 per cent or 753,000 bales below 1930-31, according to a recent cable from Calcutta. The crop which is expected from the acreage planted to December 1 is forecast at 3,428,000 bales of 478 lbs. compares with a revised estimate for 1930-31 of 4,191,000 bales, which is 214,000 bales larger than the previous (unrevised) estimate. This is the smallest forecast at this time of year since 1920-21 and on the basis of the acreage planted to December 1 indicates a very small yield. Receipts at Bombay show that the movement of the crop to market is much less than last season. From August 1 to December 17 receipts at Bombay were 47 per cent below the corresponding period in 1930, and for the four weeks ended December 17 were 64.6 per cent below the same period in 1930. The area planted in cotton up to December 1, was estimated at 22,358,000 acres compared with 23,014,000 acres planted to December 1, 1930, and 23,536,000 acres to the same date in 1929. This was the smallest amount planted to that date since the 1922-23 season.

Russia

The Russian October raw cotton procuring plan was executed to the extent of but 71 per cent, and in the first twenty days of November only 39.3 per cent of the plan was procured. Total procurings to November 15 amounted to 52.9 per cent of the yearly plan, as compared with government expectations that 72.5 per cent of the total plan would be procured by that date. November procurings amounted to only 47 per cent of the plan whereas last year November plans were 78 per cent executed. For the season to December 1, 58 per cent of the plan was procured compared with 62 per cent last year. The actual amount procured from the 1931-32 crop up to the first of December, however, was reported as being about 22 per cent above procuring during the same period last year. It is difficult to say whether this unsatisfactory progress of cotton procurings is due to an overestimation of the 1931 cotton crop, or whether other factors are responsible, but it seems quite possible that both causes are having an influence. The usual complaints of poor organization, lack of energy of the procuring organizations, etc., are stressed by the Soviet press, but it is also stated that considerable lots of cotton are being left unpicked because of the poor organization of work in the fields. Damage from late picking is also mentioned.

As a result of the unsatisfactory development of cotton procurings, shipment of cotton fiber from the gins to the industrial centers was below plans in October, amounting to 89 per cent of the plan compared with 104.6 per cent during the preceding month.

Latest reports from the Russian press indicate that this year's cotton acreage and yields are probably materially lower than previous statements from those sources have intimated. It is stated, for example, that yields are greatly reduced in many regions where work was not carried on energetically during the spring and summer, and, furthermore, that local party organizations reported higher figures for the acreage planted than was actually the case. The plan is now reported to have been non-executed in the Ferghana region by 20 per cent, although no such non-execution was reported by the local authorities.

These reports tend to confirm the estimate made by this Bureau last month which placed the 1931-32 crop at 2,000,000 bales or 29 per cent above the revised 1930-31 production of 1,550,000 bales, although reports from Russia and the International Institute of Agriculture at Rome stated that the crop was expected to be 70 to 80 per cent above 1930-31.

China

The Chinese Mill Owners' Association has recently estimated the 1931-32 Chinese cotton crop at 1,800,000 bales of 478 lbs., a decrease of about 657,000 bales or 26.7 per cent from their estimate of the 1930-31 crop, according to a cable from Agricultural Commissioner Dawson, at Shanghai on December 19. It is thought, however, that the 1930-31 estimate of the Chinese Mill Owners' Association includes a larger area than the estimate of previous years and that in order to make it comparable it should be reduced about 207,000 bales. Previous reports from Mr. Dawson stated that the 1931-32 crop was expected to be about 20 per cent below the 1930-31 production. This placed the estimate for 1931-32 at 1,800,000 bales on the basis of a 2,250,000 bale crop in 1930-31 which has been adopted by this Bureau. If the percentage decrease as estimated by the Chinese Mill Owners' Association were accepted and applied to the 2,250,000 bales used for last season's crop the present crop would be placed at about 1,650,000 bales. It is thought, however, that at least until further information is available that the figure 1,800,000 should be used.

Only a small proportion of the decrease in this year's Chinese crop represents cotton which competes directly with American. The cheapness of American cotton compared with Indian and Chinese and the increase in total cotton consumption explains most of the increased takings of American cotton. Mills in China are reported as showing little interest in native cotton.

Egypt

The second official estimate of the 1931-32 Egyptian crop was 3.2 per cent below the first, the estimate now being 1,286,000 bales of 478 pounds net which is a decrease of 22.6 per cent from the 1930-31 production, according to reports from the International Institute of Agriculture. The acreage was 19.2 per cent below last season indicating a slightly smaller yield per acre for the present crop in spite of the fact that the acreage this season has a much larger proportion of the higher yielding varieties, the acreage in Sakellaridis (the lowest yielding variety of any importance grown in Egypt) having been reduced 43 per cent and all other varieties only 3 per cent. Sakellaridis production is expected to be about 37 per cent less than last season and all other varieties 18 per cent less. The shortage of water in the early part of the growing season is said to have been detrimental to the crop and apparently the shortage was in those regions producing varieties other than Sakellaridis. In making comparisons it should be noted that yields were low last year also.

The report on ginnings shows a decrease of 16 per cent in the amount of all cotton ginned this season up to November 1, compared with last season, a 36 per cent reduction in Sakellaridis and a 12 per cent decrease in all other varieties.

Brazil

Since the last issue of World Cotton Prospects a report has been received giving an estimate of the Brazilian Government for ten States in northern Brazil, which places the production in this region about 30 per cent above 1930-31. On the basis of the expected production in these ten States which in the past few years have produced a little over 80 per cent of the total Brazilian crop, the total production is estimated at about 22 per cent above last season, or about 7 per cent above 1929-30. It will be remembered that drought conditions reduced the yield in 1930-31.

Mexico

Although the acreage in Mexico was reduced 16.4 per cent this season (from 390,000 to 326,000 acres) the estimated production is 18.5 per cent above the revised production figures for 1930-31. This is due of course to higher yields per acre which are a result of more favorable growing conditions this season than last, drought conditions having reduced yields considerably in some sections last season. The estimated production is 211,000 bales of 478 pounds net, compared with 178,000 bales in 1930-31 and 246,000 bales in 1929-30.

Anglo-Egyptian Sudan

In the Gezira province of the Sudan the 1931-32 acreage has been placed at 182,000 acres, which is practically the same as the revised estimate for 1930-31 and also about the same as in 1929-30. The 1931-32 acreage includes a considerable new area in the north section of the Gezira and it is this new area which accounts for the acreage being about equal to that of the past two years, according to a report from Cotton Specialist P. K. Norris at Cairo, Egypt. Except for this new area the acreage in the Gezira would be considerably less than the previous two years because of a change in the system of crop rotation. With a view to obtaining better control of the two diseases, "leaf-curl" and "black-arm" the planters are now required to let a third of their land in the regular crop rotation system lay fallow for two years instead of one as formerly.

Cotton: Acreage and production in countries reporting for 1931-32, with comparisons

Item and country	1928-29	1929-30	1930-31	1931-32 Prel.	Percentage 1931-32 is of 1930-31
ACREAGE	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Per cent
United States	45,341	45,793	45,091	40,495	89.8
India a/	24,992	23,536	23,014	22,358	97.1
Russia	2,288	2,550	3,870	5,824	150.5
China	4,847	5,133	5,228	5,078	97.1
Egypt	1,805	1,911	2,162	1,747	80.8
Chosen (Korea)	503	456	463	461	99.6
Uganda	699	673	740	867	117.2
Mexico	502	492	390	326	83.6
Gezira (Anglo-Egyptian: Sudan)	136	181	182	182	100.0
Syria and Lebanon	19	60	60	76	126.7
Bulgaria	13	14	14	13	92.9
Italian Somaliland	20	27	19	10	52.6
Eritrea	6	6	7	7	100.0
Algeria	12	14	10	3	30.0
Italy	-	8	9	2	22.2
Total above countries	81,183	80,854	81,259	77,449	
PRODUCTION	1,000 bales 478 lbs. net	1,000 bales 478 lbs. net	1,000 bales 478 lbs. net	1,000 bales 478 lbs. net	Per cent
United States	14,478	14,828	13,932	16,918	121.5
India b/	5,018	3,910	4,191	3,428	81.8
Russia	1,250	1,310	1,550	c/ 2,000	129.0
China	2,466	2,116	2,250	1,800	80.0
Egypt	1,672	1,768	1,661	1,286	77.4
Brazil	525	562	493	d/ 600	121.7
Mexico	278	246	178	211	118.5
Uganda	171	100	156	210	134.6
Chosen	150	139	154	136	88.3
Tanganyika	28	23	19	12	63.2
Bulgaria	3	5	4	5	125.0
Italian Somaliland	7	8	3	4	133.3
Eritrea	1	1	2	2	100.0
Italy	-	3	4	1	25.0
Algeria	6	8	5	1	20.0
Total above countries	26,053	25,027	24,602	26,614	

Compiled by the Division of Statistical and Historical Research, partly from information received through the Foreign Agricultural Service. Official sources and International Institute of Agriculture unless otherwise stated.

a/ Third estimate which includes only area planted up to December 1.

b/ Estimate of production of all cotton planted up to December 1.

c/ Estimate of this Division.

d/ Based on official estimate of the Brazilian Government for Northern Brazil (10 States) which during the past few years have produced a little over 80 per cent of the total Brazilian crop.

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CONTENTS

			PAGE
1	-	Summary	1 - 2
2	-	Prices	3
3	-	Stocks and Movement	3 - 5
4	-	Textile Situation	5 - 6
5	-	Continental Europe	6 - 10
6	-	Japan	10
7	-	China	12
8	-	Production, Acreage, and Crop Conditions	12 - 15

TABLE

1	-	Cotton: Acreage and production in countries reporting for 1931-32, with comparisons	16

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